



2014 Holiday Shopping Prediction

Adobe Digital Index

Methodology

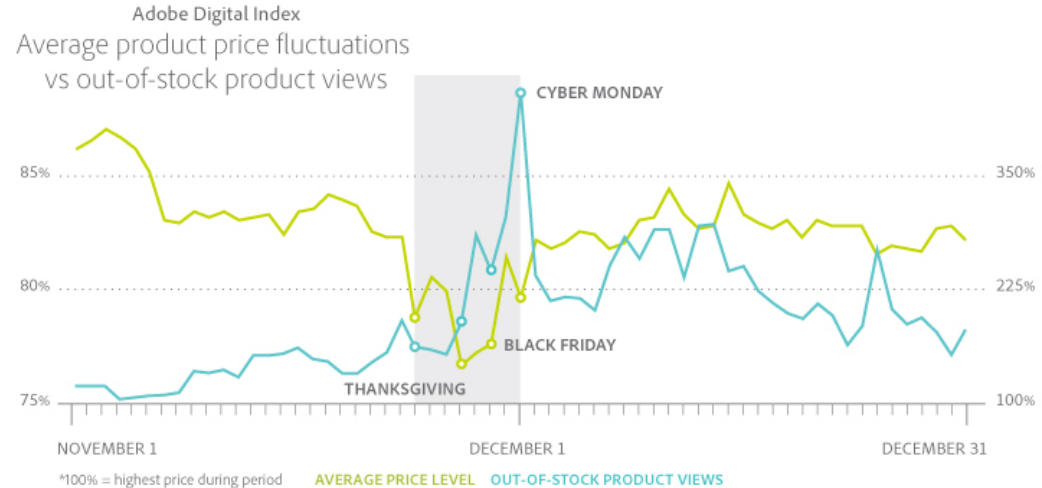
- Most comprehensive report of its kind in industry
- Data from Adobe Marketing Cloud
 - Adobe Analytics, Adobe Mobile Services, Adobe Media Optimizer, and Adobe Social
- Based on analysis of aggregated and anonymous data
- More than 1 trillion visits to 4,500 retail websites since 2008
 - 20 billion visits to ecommerce websites in October '14
 - Over \$7.00 out of \$10.00 spent online with top 500 retailers is measured by Adobe Marketing Cloud
- Thanksgiving and Cyber Monday predictions in previous years were within 1%
- Separate survey findings from 400+ U.S. consumers

US: Online Shopping Prediction

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Price Level and Product Availability

- Online prices will hit rock bottom on Thanksgiving Day:
 - Lower than on any other day during the holiday season. Average discount: 24%
- Prices will increase Tuesday after Cyber Monday
- Online Sales will start Monday before Thanksgiving
 - Largest single day price drop (5%) from Sunday to Monday before Thanksgiving.
 - Average item will be 20% off during Thanksgiving week
- In-store prices will match online prices except for Black Friday store promotions and inventory clearance offers close to holidays
- Out-of-stock messages will increase 5-fold on Cyber Monday due to increased demand and limited supply



New Sales Records

Black Friday will become fastest growing online sales day of year

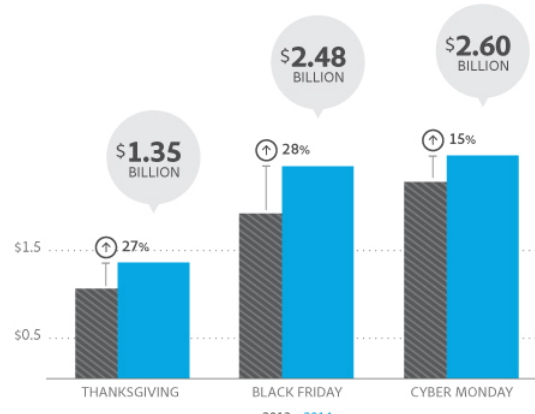
- \$2.48 Billion
- 28% YoY growth

Record Sales on Thanksgiving Day

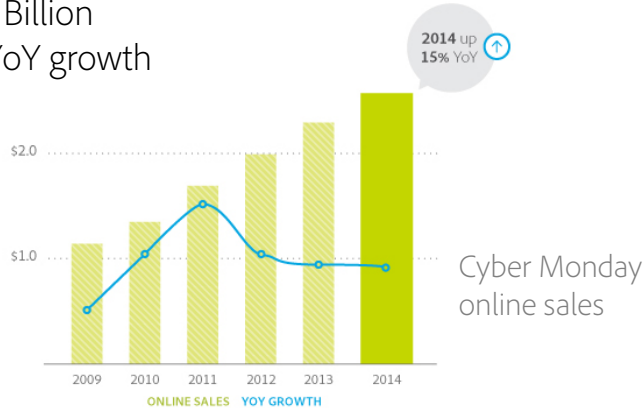
- \$1.35 Billion
- 27% YoY growth

Cyber Monday will continue to be the largest online sales day

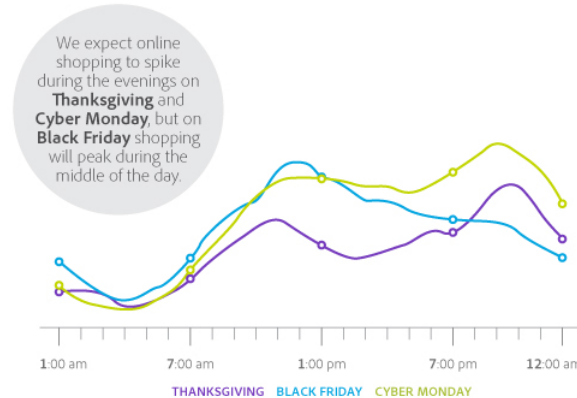
- \$2.60 Billion
- 15% YoY growth



Online sales prediction



Cyber Monday online sales



Online sales prediction by the hour

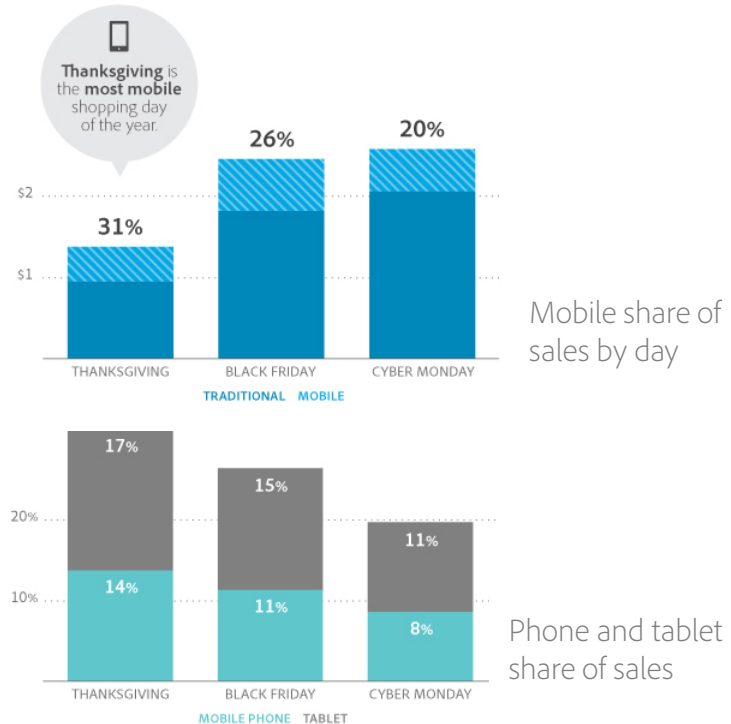
Mobile Continues to Move Sales Online

Thanksgiving will be most mobile shopping day of year

- 31% of online sales will be generated via smartphones and tablets, up from 21% in '13
- Mobile Sales: \$418 million

Mobile will also drive significant share on Black Friday, Cyber Monday

- Black Friday: 26% share (even with '13) Total mobile sales: \$644 million
- Cyber Monday: 20% share (2% more than '13) Total mobile sales: \$520 million



Social Media Buzz Foreshadows Top Gifts

Top Gifts

- Mobile Phones: iPhone 6/6+
- Wearable Devices: Fitbit
- 4K TVs: Sony and Samsung
- OTT Devices: Roku
- Video Games: “Call of Duty”
- Game Consoles: PS4 tops Xbox One

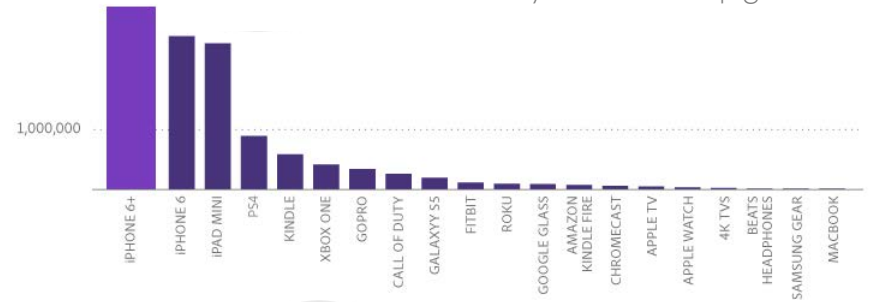
Toys:

- Lego, Nintendo DS, dolls from movie Frozen

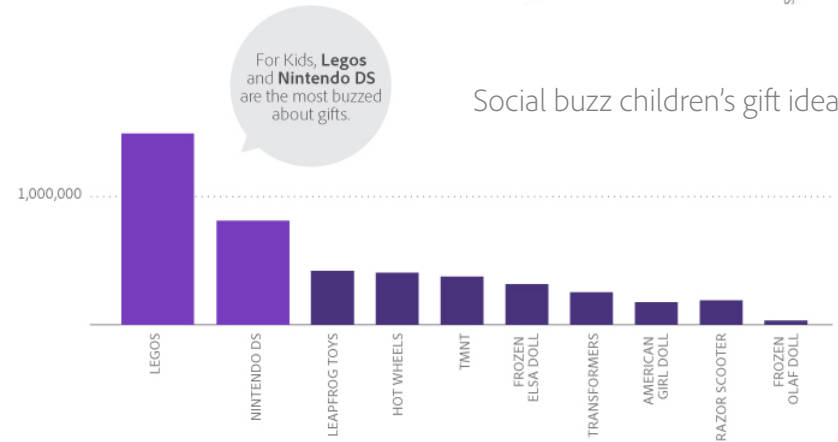
Retailer Buzz

- Amazon, eBay, Target, Walmart, the Gap most discussed
- Amazon beats eBay, Gap edges out H&M, Target wins against Walmart
- 20% of Amazon's buzz from California. 35% of eBay buzz from New York. Both NY and CA contribute 13% of social mentions for Target

Early social buzz top gift ideas



Social buzz children's gift ideas



International: Online Shopping Predictions

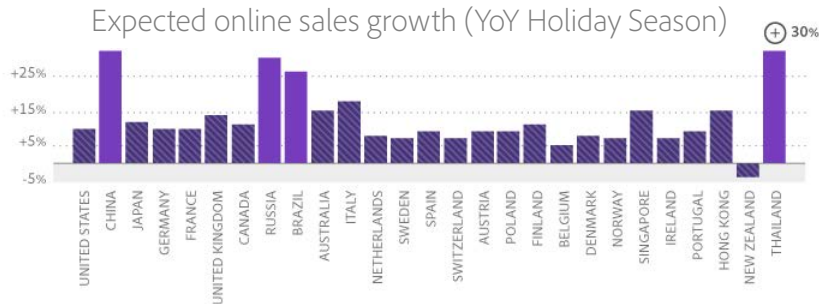
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Online Spend and YoY Growth by Country



Cyber Monday sales will exceed the largest shopping day in Japan, Germany, France and the UK combined

- Mobile spending alone in the US will surpass most other countries total online sales
- China's Singles Day (Bachelor's Day), which appropriately falls on 11/11 every year, rivals Cyber Day as the largest online shopping day world-wide



Online sales growing fastest in China, Russia, Brazil, and Thailand.

- All four countries are expected to see holiday sales grow by more than 20% over last year.
- The average country will see closer to 10% year-over-year online sales growth.
- Offline sales are growing at 2-4% in most countries.

Per Person

Brazilian and US retailers are most dependent on the holiday period for sales.

- November and December are expected to drive more than 27% of total annual online sales.



In the Average U.S. consumer will spend \$248 online; \$8 on Cyber Monday

- The Swedes, Swiss, and Fins will spend \$12+ per person. Chinese and Indian consumers will spend least on the their largest online shopping day



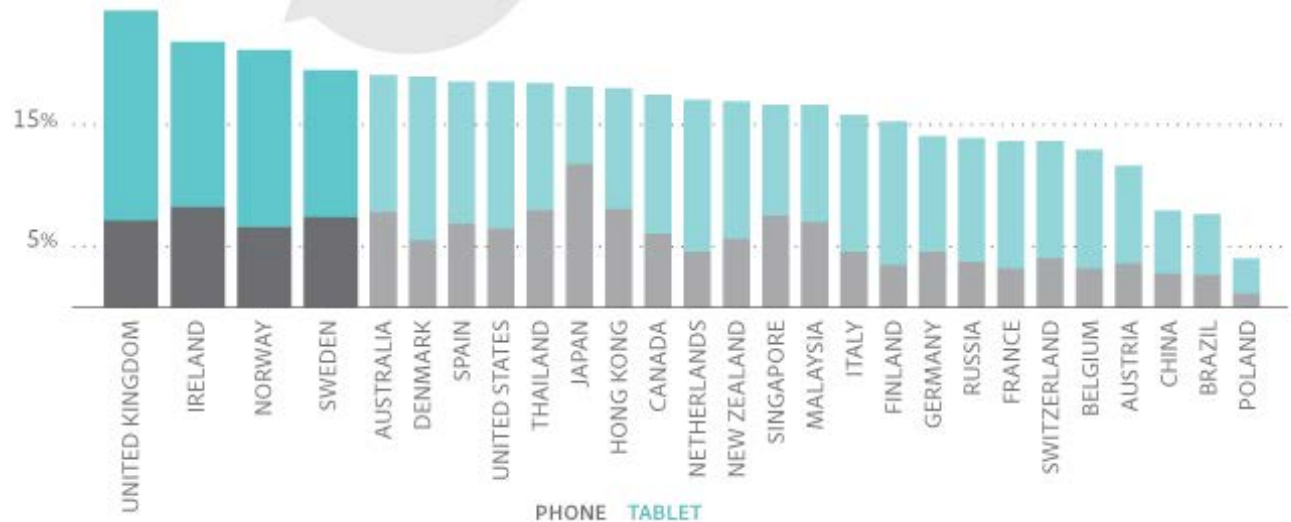
Mobile Share of Sales

The British, Irish, Norwegians and Swedish are the most mobile shoppers

The Japanese, Irish, and Australians are expected to shop from their phones the most.


The **British, Irish, Norwegians** and **Swedish** are the **most mobile** shoppers.

Expected mobile share of online sales by country



Product Price Variation - International Comparison

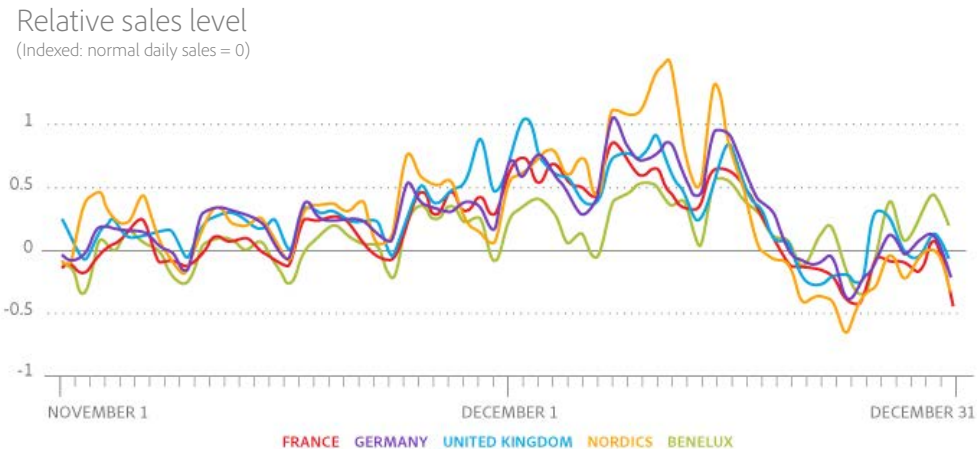


In UK and Germany prices fall gradually throughout the holiday season and hit their lowest point near the end of December.

US prices are lower throughout November, but stay relatively high during December when many consumer expect lower prices due to inventory blow-outs

Largest Shopping Day and Relative Sales Level: Europe

- Germany will lead all European countries when online sales spike to \$547 million on the 8th of December
- France isn't far behind, but online shopping won't spike there until Les Soldes in January
- The UK will see the earliest sales spike in Europe as the British take advantage of Cyber Monday deals on the first Monday in December



Largest Shopping Day and Relative Sales Level: Asia

- Online sales are expected to spike in China to 423% above normal levels on Single's Day this year.
- Australia will see a spike during Click Frenzy starting November 18th.
- All other Asian countries are expected to see holiday shopping sales spikes in mid to late December

Expected online sales on largest shopping day by country

